

## § 1703.147

reasonable period of time to furnish the additional information.

(3) If the application is determined suitable for further consideration by RUS, conduct a review of the application and financial assistance recommendation. A final determination will be made within 15 days. If the Administrator determines that a loan can be approved, the applicant will be notified. Applications will be processed, and approved loans serviced, in accordance with §§ 1703.105 through 1703.112 of subpart D.

(4) If RUS determines that the application is not suitable for further consideration, notify the applicant with the reasons for this determination. The applicant will be offered appeal rights in accordance with § 1703.147 of this subpart.

### § 1703.147 Appeals.

Any appeal must be made, in writing, within 10 days after the applicant is notified of the determination to deny the application. Appeals shall be submitted to the Administrator, RUS, U.S. Department of Agriculture, 1400 Independence Ave., SW., STOP 1590, Washington, DC 20250-1590. Thereafter, the Administrator will review the appeal to determine whether to sustain, reverse, or modify the original determination. Final determinations will be made after consideration of all appeals. The Administrator's determination will be final. A copy of the Administrator's decision will be furnished promptly to the applicant.

## Subpart H—Deferments of RUS Loan Payments for Rural Development Projects

SOURCE: 58 FR 21639, Apr. 23, 1993, unless otherwise noted. Redesignated at 64 FR 14356, Mar. 25, 1999.

### § 1703.300 Purpose.

This subpart E sets forth RUS's policies and procedures for making loan deferments of principal and interest payments on direct loans or insured loans made for electric or telephone purposes, but not for loans made for rural economic development purposes, in accordance with subsection (b) of section 12 of the RE Act. Loan

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deferments are provided for the purpose of promoting rural development opportunities.

### § 1703.301 Policy.

It is RUS's policy to encourage borrowers to invest in and promote rural development and rural job creation projects that are based on sound economic and financial analyses. Borrowers are encouraged to use this program to promote economic, business and community development projects that will benefit rural areas.

### § 1703.302 Definitions and rules of construction.

(a) *Definitions.* For the purpose of this subpart, the following terms will have the following meanings:<sup>1</sup>

*Administrator* means the Administrator of RUS.

*Borrower* means any organization which has an outstanding direct loan or insured loan made by RUS for the provision of electric or telephone service.

*Cushion of credit payment* means a voluntary unscheduled payment on an RUS note made after October 1, 1987, credited to the cushion of credit account of a borrower.

*Deferment* means a re-amortization of a payment of principal and/or interest on an RUS direct loan or insured loan for over either a 5- or 10 year period, with the first payment beginning on the date of the deferment.

*Direct loan* means a loan that is made by the Administrator pursuant to section 4 or section 201 of the RE Act (7 U.S.C. 901 *et seq.*) for the provision of electric or telephone service in rural areas and does not include a loan made to promote economic development in rural areas.

*Financially distressed borrower* means an RUS-financed borrower determined by the Administrator to be either:

- (i) In default or near default on interest or principal payments due on loans made or guaranteed under the RE Act;
- (ii) A borrower that was in default or near default, but is currently participating in a workout or debt restructuring plan with RUS; or
- (iii) Experiencing a financial hardship.